

## **FISCAL NOTE**

### **HB 3185 - SB 3577**

February 8, 2008

**SUMMARY OF BILL:** Creates the ASPIRE work study program to provide additional postsecondary financial assistance from net lottery proceeds to students receiving both the Tennessee HOPE scholarship and the ASPIRE award.

#### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by \$2,149,900 in FY08-09 and by \$3,451,300 in FY09-10.**

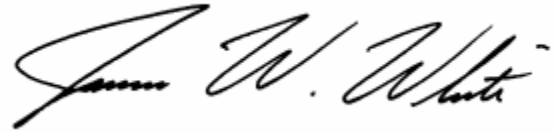
#### Assumptions:

- According to the Department of Education (DOE), the department would publish a list of organizations operating after-school programs that will participate in the ASPIRE work-study program. Any such increase to state expenditures is estimated to be not significant.
- DOE indicates any cost for promulgating rules and regulations to be not significant.
- DOE indicates any additional costs to local education agencies (LEAs) would be considered not significant.
- Costs for the Tennessee Bureau of Investigation (TBI) to conduct criminal background checks are estimated to be not significant because such additional costs are to be paid by applicants.
- According to the Tennessee Student Assistance Corporation (TSAC), there were 11,629 Hope with ASPIRE recipients in FY06-07.
- TSAC indicates that 6.4% of students participate in federal work study programs.
- TSAC estimates 10% (1,162) of eligible students will participate in the ASPIRE work-study program because hourly wages are higher relative to federal programs.
- Maximum allowable earnings per participant are \$2,000 per academic year (\$1,000 per semester).
- Participants earn an average of 90% of the maximum allowed.

- One additional position for TSAC to administer program estimated to be \$58,300 per year (salary, benefits, supplies, communications, etc.).
- The increase of expenditures from lottery proceeds is estimated to be \$2,149,900 [(1,162 students x \$2,000 x 90%) + \$58,300 = \$2,149,900) in the first year (FY08-09).
- TSAC estimates 1,362 new students in year two (FY09-10).
- 45% retention rate for first-year students.
- The increase of expenditures from lottery proceeds is estimated to be \$3,451,300 [(1,362 new students x \$2,000 x 90%) + (523 retention students x 2,000 x 90%) + \$58,300 = \$3,451,300) in the second year (FY09-10).

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a horizontal line extending from the end.

James W. White, Executive Director

/rnc